

Projected Revenue Gains and (Losses) of LB 775, LB 829 as amended, and LB 620 for Tax Years 1987-2017 Projects by Fiscal Years**

The estimates are based on a sample of 100 agreements and actual results of 343 qualified projects, including 67 completed projects, from 1987 through 2003. Employment and investment flows are projected at rates indicated by the corresponding companies' applications. The analysis time frame considers future agreements signed through the year 2017 with a 95 percent success rate.

All other pertinent information as provided in the applications, such as salary levels and investment composition (not all property is treated equally in regard to tax preferences), is taken into consideration.

The classification of jobs into new economic jobs or existing jobs (jobs that would have been created regardless of the existence of LB 775, LB 829 as amended, and LB 620) is based on the company provided description of the project. The model estimates that 30 percent of the jobs created are true new economic jobs.

The credit used estimate is based on the assumption of maximized use for each year either against corporate income tax, individual income tax, or sales and use tax.

The time series analysis from 1987 to 2003 indicates that the usage of credits against sales and use taxes paid averages 48 percent of credits used. This usage factor was used for the future allocation of credits used. The liability analysis of the calendar year simulation model is converted into a fiscal year cash flow model.

The estimated profitability (individual and corporate income tax liability available for credit set-off) is based on the historical profitability of the respective companies.

The following is an estimate of new projects for the years 2004 through 2017.

Year	# of Agreements Signed	AVERAGE PER PROJECT*		
		\$ Million of Investment	Number of Employees	Salary Level
2004	26	86.0	235	34,671
2005	18	56.1	204	32,601
2006	30	56.6	142	38,270
2007	20	53.1	126	35,985
2008	25	92.1	127	42,243
2009	41	52.6	291	39,721
2010	32	45.4	235	45,491
2011	28	41.0	135	36,439
2012	22	27.8	105	40,056
2013	20	35.3	91	39,067
2014	18	81.7	110	46,045
2015	31	56.6	184	38,200
2016	26	41.6	172	49,978
2017	15	74.1	63	68,453

* The investment and employment levels represent the entire investment and employment associated with the project through the entitlement period (employment levels represent the employees qualifying for credits).

** A detailed description of the model is available upon request.

(Methodology and Assumptions for LB 775 Benefit and Cost Estimate; Nebraska Department of Revenue, Finance and Research Division, August 1996.)

**PROJECTED REVENUE GAINS OR (LOSSES) OF LB 775, LB 829 AS AMENDED, AND LB 620
FOR TAX YEARS 1987-2017 BY FISCAL YEAR**

Fiscal Year		03/04	04/05	05/06	06/07	07/08	08/09
SUMMARY	Expansion: Sales and Use	81,051,623	88,829,797	97,863,883	103,200,056	90,385,001	94,661,617
	Corporate	8,246,786	9,051,595	9,934,129	10,818,566	10,905,636	9,974,027
	Individual	35,719,364	39,152,557	43,119,205	45,607,449	40,516,255	41,854,258
	Sales and Use Tax Refunds TPP	38,881,926	43,872,852	47,857,473	47,935,803	44,880,549	42,481,244
	Sales Only Formula	0	0	0	0	0	0
	Credits and Wage Benefit Credit Used	94,461,591	100,857,102	108,205,647	112,759,432	115,114,032	117,231,475
	Corp. or Individ. & Wage Benefit Credit	50,064,643	53,454,264	57,348,993	59,762,499	61,010,437	62,132,682
	Sales and Use	44,396,948	47,402,838	50,856,654	52,996,933	54,103,595	55,098,793
	Credits Expired	8,116,372	7,509,830	10,272,331	7,944,453	7,074,628	6,986,498
	Gain or (Loss)	(8,325,744)	(7,696,005)	(5,145,903)	(1,069,164)	(18,187,689)	(13,222,817)
	Cumulative	(412,780,587)	(420,476,592)	(425,622,495)	(426,691,659)	(444,879,348)	(458,102,165)
	Sales Tax Refunds (TPP+Credits Used)	83,278,874	91,275,690	98,714,127	100,932,736	98,984,144	97,580,037
Fiscal Year		09/10	10/11	11/12	12/13	13/14	14/15
SUMMARY	Expansion: Sales and Use	93,400,417	91,113,532	92,608,948	91,950,659	90,984,132	91,427,996
	Corporate	10,289,447	10,123,935	9,977,651	10,082,021	10,001,823	9,935,667
	Individual	41,475,946	40,494,987	41,034,640	40,813,072	40,394,382	40,545,465
	Sales and Use Tax Refunds TPP	41,859,311	41,714,844	39,973,928	37,004,602	34,859,202	33,756,601
	Sales Only Formula	0	0	0	0	0	0
	Credits and Wage Benefit Credit Used	119,057,926	119,637,559	117,835,213	113,846,007	109,898,127	107,380,112
	Corp. or Individ. & Wage Benefit Credit	69,053,597	69,389,784	64,809,367	62,615,304	60,443,970	62,280,465
	Sales and Use	50,004,329	50,247,775	53,025,846	51,230,703	49,454,157	45,099,647
	Credits Expired	6,073,319	6,055,298	6,526,912	7,037,518	7,183,561	7,019,668
	Gain or (Loss)	(15,751,427)	(19,619,949)	(14,187,902)	(8,004,857)	(3,376,992)	772,415
	Cumulative	(473,853,592)	(493,473,541)	(507,661,443)	(515,666,300)	(519,043,292)	(518,270,877)
	Sales Tax Refunds (TPP+Credits Used)	91,863,640	91,962,619	92,999,774	88,235,305	84,313,359	78,856,248
Fiscal Year		15/16	16/17	17/18	18/19	19/20	20/21
SUMMARY	Expansion: Sales and Use	91,610,050	97,385,092	113,232,132	118,073,042	110,137,319	105,946,066
	Corporate	9,983,492	10,174,606	11,102,650	12,548,262	12,737,799	11,974,028
	Individual	40,637,417	43,023,879	49,733,913	52,248,522	49,150,047	47,168,038
	Sales and Use Tax Refunds TPP	35,093,469	43,111,337	55,055,797	58,501,484	49,990,360	34,302,199
	Sales Only Formula	0	0	0	0	0	0
	Credits and Wage Benefit Credit Used	107,816,343	115,180,047	126,601,771	132,874,573	132,509,855	104,219,512
	Corp. or Individ. & Wage Benefit Credit	62,533,479	66,804,427	73,429,027	77,067,252	76,855,716	60,447,317
	Sales and Use	45,282,864	48,375,620	53,172,744	55,807,321	55,654,139	43,772,195
	Credits Expired	6,797,838	7,468,035	10,140,847	12,115,184	12,641,445	13,043,501
	Gain or (Loss)	(678,853)	(7,707,807)	(7,588,873)	(8,506,231)	(10,475,050)	26,566,421
	Cumulative	(518,949,730)	(526,657,537)	(534,246,410)	(542,752,641)	(553,227,691)	(526,661,270)
	Sales Tax Refunds (TPP+Credits Used)	80,376,333	91,486,957	108,228,541	114,308,805	105,644,499	78,074,394

NOTE: Rounding differences may cause slight variations.